

SANDIA CORPORATION
SF 6432-CL (11-98)
SECTION II
STANDARD TERMS & CONDITIONS FOR COMMERCIAL LEASES

THE FOLLOWING CLAUSES APPLY TO THIS LEASE AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY SUPPLEMENTED OR AMENDED IN WRITING IN THE SIGNATURE PAGE OR SECTION I OF THIS LEASE.

CL01 - ACCEPTANCE OF TERMS AND CONDITIONS. LESSOR, by signing this LEASE and/or delivering the possession of the PREMISES to SANDIA under this LEASE, agrees to comply with all the terms and conditions and all specifications and other documents that are incorporated into this LEASE by reference or attachment. SANDIA hereby objects to any terms and conditions contained in any acknowledgment of this LEASE that are different from or in addition to those mentioned in this LEASE. Failure of SANDIA to enforce any of the provisions of this LEASE shall not be construed as evidence to interpret the requirements of this LEASE, nor as a waiver of any requirement, nor of the right of SANDIA to enforce each and every provision. All rights and obligations shall survive final performance of this LEASE.

CL02 - ACCESSIBILITY. The PREMISES shall be accessible to the handicapped in accordance with the Americans With Disabilities Act Accessibility Guidelines (36 CFR Part 36, App. A) and the Uniform Federal Accessibility Standards (41 CFR 101-19.6, App. A). Where standards conflict, the more stringent shall apply.

CL03 - ALTERATIONS. SANDIA shall have the right during the existence of this LEASE to make alterations, attach fixtures, and erect structures or signs in or upon the PREMISES, which fixtures, additions or structures so placed in, on, upon, or attached to the PREMISES shall be and remain GOVERNMENT property and may be removed or otherwise disposed of by SANDIA. LESSOR agrees to waive restoration of the Premises if SANDIA agrees to waive removal of alterations which shall be on a case by case basis and in writing as an amendment to this LEASE for such waiver to be effective.

CL04 - APPLICABLE LAW. The rights and obligations of the parties hereto shall be governed by this LEASE and construed in accordance with federal law for Federal Acquisition Regulations (FAR) clauses or Department of Energy Acquisition Regulations (DEAR) clauses incorporated into this LEASE. State laws, ordinances, regulations and rules as enacted in the State the PREMISES are located in shall govern all other clauses. Claims shall be brought in the State Court closest to the PREMISES giving rise to the claim.

CL05 - ASSIGNMENT. LESSOR shall not assign rights or obligations to third parties or otherwise alienate any interest of SANDIA in the PREMISES during the term of this LEASE without the prior written consent of SANDIA. However, the LESSOR may assign rights to be paid

amounts due or to become due to a financing institution if SANDIA is promptly furnished a properly signed copy of the SANDIA Assignment of Payments form. Payments to an assignee shall be subject to setoff or recoupment for any present or future claims of SANDIA against LESSOR. This LEASE may be assigned by SANDIA to DOE or its designee, and in case of such transfer and notice thereof to the LESSOR, SANDIA shall have no further responsibilities hereunder. Sandia may sublet any part of the PREMISES but shall not be relieved from any obligations under this LEASE by reason of any such subletting.

CL06 - BANKRUPTCY. If the LESSOR enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the SCR responsible for this Agreement within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the agreement numbers for which final payment has not been made.

CL07 - CANCELLATION OR TERMINATION FOR CONVENIENCE. (a) Either party shall have the right to cancel this LEASE without judicial resolution upon written notice to the other after a breach of any provision by the other party has gone uncorrected for 30 days after the other party has been notified in writing of such breach. In the event of cancellation, SANDIA's payment for this LEASE shall be prorated based on the months of actual use divided by 12 and multiplied by the annual rent set forth above and SANDIA shall not be liable for any other services that were not accepted by SANDIA for payment as of the date of such cancellation. (b) SANDIA may terminate for the convenience of SANDIA this LEASE, upon 120 days of advanced written notice to the LESSOR after the initial term of this LEASE. In that event SANDIA shall not be liable for any costs that become due after the effective date of the termination except any stated penalty set forth in Section I of this LEASE. (c) The rights and remedies of SANDIA in this clause are in addition to any other rights and remedies provided by law or equity or under this LEASE.

CL08 - COMPLIANCE WITH LAWS. LESSOR and SANDIA agree to comply with all applicable federal, state, and local laws and ordinances and all lawful orders, rules, codes, and regulations pertinent to this LEASE and such compliance shall be a material requirement of this LEASE.

CL09 - DEFINITIONS. The following terms shall have the meanings set forth below for all purposes of this LEASE.

GOVERNMENT means the United States of America and includes the U.S. Department of Energy (DOE) or any duly authorized representative thereof.

LEASE means this agreement which includes a signature page, a Section I, a Section II, and all other documents incorporated into this agreement by reference thereto.

LESSEE means Sandia Corporation.

LESSOR means the person or organization that has entered into this LEASE.

PREMISES means the subject of this LEASE as set forth in Section I of this LEASE.

SANDIA means Sandia Corporation which manages and operates the Sandia National Laboratories under Contract No. DE-ACO4-94AL-85000 with the U.S. Department of Energy.

SCR means SANDIA Contracting Representative, the only person authorized to negotiate, execute

and/or administer this LEASE for SANDIA.

SDR means Sandia Delegated Representative, the person(s) who has been delegated limited authority as defined in Section I of this LEASE.

CL10 - ELECTRICAL AND MECHANICAL SYSTEMS. (a) The LESSOR shall keep the PREMISES in compliance with all applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply. (b) LESSOR agrees to maintain any existing elevators in the PREMISES to the current editions of the American National Standard A17.1, Safety Code for Elevators and Escalators, except that elevator cabs are not required to have a visual or audible signal to notify passengers during automatic recall. Elevators shall be inspected and maintained in accordance with the current requirements of the American National Standard A17.2, Inspector's Manual for Elevators. (c) LESSOR agrees to have heating and HVAC equipment in the PREMISES capable of maintaining temperatures between 65 and 70 degrees Fahrenheit during the heating season and between 76 and 80 degrees Fahrenheit during the cooling season, regardless of outside temperatures, during the hours of operation specified in the LEASE. (d) LESSOR shall be responsible for the total maintenance and repair of the PREMISES. Such maintenance and repairs include site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. LESSOR's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems must be done in accordance with applicable codes, and inspection certificates must be displayed as appropriate. Copies of all documentation of such maintenance and testing shall be forwarded to the SCR. Without any additional charge, SANDIA reserves the right to require documentation of proper operations or testing prior to occupancy of such systems as fire alarm, sprinkler, emergency generator, HVAC, etc. to ensure proper operation. These tests shall be witnessed by the SDR. (e) During working hours in periods of heating and cooling, ventilation shall be provided in accordance with ASHRAE Standard 62, Ventilation for Acceptable Indoor Air Quality.

CL11 - ENTIRE AGREEMENT. LESSOR and SANDIA represent that the execution and delivery of this LEASE has not been induced by any promises, representations, warranties or other agreements, other than those specifically expressed. This LEASE embodies the entire understanding between the parties with respect to the subject matter described herein. This LEASE shall bind and inure to the benefit of the parties to this LEASE and their respective heirs, executors, administrators, successors and assigns.

CL12 - FIRE AND CASUALTY DAMAGE. If the entire PREMISES are destroyed by fire or other casualty, this LEASE will immediately terminate. In case of partial destruction or damage, so as to render the PREMISES uninhabitable, as determined by SANDIA, SANDIA shall be entitled to terminate the LEASE by giving written notice to the LESSOR within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the LESSOR after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately on a prorata basis based on the percentage of the loss and the time period of the loss of use effective from the date of

such partial destruction or damage. Nothing in this LEASE shall be construed as relieving LESSOR from liability for damage to or destruction of GOVERNMENT property caused by the willful or negligent act or omission of Lessor.

CL13 - GOVERNMENT PERSONAL PROPERTY. The PREMISES will contain personal property all of which is GOVERNMENT Property which shall be removed by SANDIA at the conclusion of the LEASE. LESSOR agrees to make no claims of any ownership or any interest in any GOVERNMENT Property.

CL14 - HAZARDOUS MATERIALS. (a) The PREMISES shall be free of hazardous materials according to applicable Federal, State, and local environmental regulations, except those materials that may be brought to the PREMISES by SANDIA as part of its work at the PREMISES. SANDIA shall be responsible for proper handling and disposal of hazardous materials brought by SANDIA onto the PREMISES. (b) The PREMISES shall be free of all asbestos containing materials, except undamaged asbestos flooring or undamaged boiler or pipe insulation, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented by LESSOR. Copies of all documentation regarding the LESSOR's asbestos abatement program for the PREMISES shall be sent to the SCR. (c) If the PREMISES are on the second floor above grade or lower, the LESSOR shall, prior to occupancy, test the PREMISES for 2-3 days using charcoal canisters or Electret Ion Chambers to ensure radon in air levels are below the Environmental Protection Agency's action concentration of 4 Pico Curies/liter. After the initial testing, a follow up test for a minimum of 90 days using Alpha Track Detectors or Electret Ion Chambers must be completed. Copies of all documentation of these tests shall be sent to the SCR.

CL15 - HEADINGS. The headings used in this LEASE are for reference purposes only and shall not be used to restrict the meaning or interpretation of the provisions of this LEASE.

CL16 - JANITORIAL SERVICES. LESSOR shall provide janitorial services for the PREMISES, public areas, entrances, and all other common areas and provide replacement of supplies necessary for such janitorial services.

CL17 - LIABILITY. It is mutually understood and agreed that the LESSOR and SANDIA shall not be liable for any damage or injury, to the person or property of LESSOR, SANDIA, any third party, or any of the SANDIA's employees, guests, or invitees due to the act or negligence of any other person, or as may be caused by fire, water, steam, gas, snow, ice, frost, sewerage or electric current, or by the breaking, leaking or obstruction of pipes, or resulting from any other cause whatsoever. All GOVERNMENT property which is placed on the PREMISES by SANDIA shall be at SANDIA's sole risk. SANDIA shall not be liable for any damage or loss to LESSOR's PREMISES except in the event of SANDIA's tortious conduct proximately causing such damage to LESSOR's property.

CL18 - LIENS AND ENCUMBRANCES. LESSOR agrees to hold SANDIA harmless and indemnify SANDIA from and against any and all liens or encumbrances that may attach to any

GOVERNMENT property by virtue of it being on the PREMISES.

CL19 - MODIFICATIONS. No modification of this LEASE shall be valid or binding upon any party, unless the modification is made in writing and signed by duly authorized representatives of both parties to this LEASE.

CL20 - OCCUPANCY PERMIT. The LESSOR shall provide to the SCR a valid Occupancy Permit for the intended use set forth in Section I of this LEASE. If the local jurisdiction does not issue occupancy permits, LESSOR shall consult the SCR to determine if other documentation may be needed.

CL21 - ORDER OF PRECEDENCE. Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Section I Lease Terms and Conditions, (2) SF 6432-CL, Section II Standard Terms and Conditions For Commercial Leases, and (3) incorporated by reference provisions of Section II, (4) written orders of the SCR, (5) written orders of the SDR.

CL22 - PAYMENTS. Invoices shall be submitted monthly for 1/12 of the fixed price owed on this LEASE to be paid in the arrears, unless otherwise specified, to the designated billing office specified in Section I of this LEASE. Unless otherwise provided, terms of payment shall be net 30 days from the receipt of LESSOR's proper invoice. Payments may be made either by check or electronic funds transfer, at the option of SANDIA. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made.

CL23 - PROHIBITED USES. SANDIA agrees that SANDIA's uses of the PREMISES shall be in accordance with laws and regulations governing the uses of property in the jurisdiction in which the PREMISES are located.

CL24 - RIGHTS AND INTERESTS. All rights and interests resulting from this LEASE shall pass directly from the LESSOR to the GOVERNMENT. The PREMISES shall be operated as GOVERNMENT PREMISES in accordance with this LEASE.

CL25 - SANDIA ACCESS. SANDIA shall have access to and use of the PREMISES 24 hours per day for every day of the year. SANDIA agrees to pay for excessive use of utilities consumed if ordered by the SCR in writing from LESSOR at the negotiated cost set forth in Section I of this LEASE and billed to SANDIA on a monthly basis within 60 days of such actual excessive consumption.

CL26 - SANDIA INGRESS AND EGRESS RIGHTS. LESSOR agrees to grant sufficient rights of ingress and egress as to permit the intended use of the PREMISES as contemplated in this LEASE.

CL27 - SANDIA SURRENDER OF LEASE. At the conclusion of the LEASE, SANDIA agrees to remove any and all GOVERNMENT Property from LESSOR's property, and return the PREMISES to LESSOR less ordinary wear and tear.

CL28 - SUBCONTRACTING. If LESSOR subcontracts under this LEASE, LESSOR shall incorporate the subcontract flow down requirements as set forth in SF 6432-CI found at <http://www.sandia.gov/supplier/terms/>

CL29 - SUPERINTENDENT. LESSOR agrees to have a PREMISES superintendent or a locally designated representative available to promptly correct deficiencies upon notification from the SDR.

CL30 - TAXES. LESSOR shall pay any taxes, use fees, or assessments levied against the Premises by any governmental entity.

CL31 - UTILITIES. The LESSOR shall ensure that utilities necessary for operation of the PREMISES are provided and all associated costs are included as a part of the established LEASE rate.

CL32 - WAIVERS. No failure by either LESSOR or SANDIA to insist upon strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by LESSOR or SANDIA during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

CL33 - WARRANTIES OF TITLE AND QUIET POSSESSION. LESSOR covenants that LESSOR is the legal owner of PREMISES and that LESSOR has the right to make this LEASE and that SANDIA shall enjoy quiet and peaceful possession of the PREMISES during the term of this LEASE. LESSOR expressly warrants that there are no other agreements in force that conflict with this LEASE. LESSOR and any successors in interest shall agree not to enter into any arrangement that could interfere with SANDIA's quiet and peaceful possession of the PREMISES during the term of this LEASE. LESSOR expressly warrants that the PREMISES delivered under this LEASE are in accordance with the description set forth in Section 1 and compliant with all requirements of this LEASE.

CL34 - ADDITIONAL TERMS AND CONDITIONS. This LEASE incorporates the following Federal Acquisition Regulation (FAR) clauses found at 48 CFR 52. et seq. and Department of Energy Acquisition Regulation (DEAR) clauses found at 48 CFR 952. et seq. by reference with the same force and effect as if they were given in full text. Where the FAR/DEAR clauses refer to GOVERNMENT and Contracting Officer, substitute SANDIA and SANDIA Contracting Representative (SCR). Where the FAR/DEAR clauses refer to Contractor, substitute LESSOR. Upon request the SCR will make the full text available.

CL35 - APPLY TO ALL LEASES.

FAR 52.222-26 Equal Opportunity (E.O. 11246),

FAR 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans
(38 U.S.C. 2012(a),

FAR 52.222-36 Affirmative Action for Handicapped Workers (29 U.S.C. 793), and

FAR 52.244-6 Subcontracts for Commercial Items and Commercial Components

CL36 - APPLY TO ALL PREMISES.

FAR 52.223-2 Clean Air and Water

FAR 52.223-11 Ozone Depleting Substances

FAR 52.223-12 Refrigeration Equipment and Air Conditioners

DEAR 952.204-2 Security Requirements

DEAR 952.223-72 Radiation Protection and Nuclear Criticality

DEAR 970.5204-2 Integration of Environment, Safety and Health into Work Planning and Execution. Lessor may use the SANDIA ISMS or tailor the ISMS standard form set forth at <http://www.sandia.gov/> to the particular LEASE requirements, to be approved by the SDR prior to beginning any work.

DEAR 970.5204-26 Nuclear Facility Safety

DEAR 970.5204-41 Preservation of Individual Occupational Radiation Exposure Records

DEAR 970.5204-58 Workplace Substance Abuse Programs at Government PREMISES

DEAR 970.5204-59 Whistleblower Protection

CL37 - VISITOR ACCESS TO PREMISES. The SDR shall establish and administer the provisions of visitor access and control for the PREMISES.

CL38 - VISITOR ACCESS REQUIREMENTS. Permission to enter the PREMISES shall at all times be subject to all laws, regulations, and PREMISES access rules for the PREMISES. The requirements include but are not limited to, all of the requirements set forth in this section for any work to be performed in the PREMISES. To obtain access to such PREMISES, LESSOR shall write a letter to the SDR or the SCR stating the company designation to be used by LESSOR and each subcontractor and furnishing the following information on each individual requiring access to the PREMISES: name, date of birth, and citizenship status. Access will be granted for the period of performance of the work only. LESSOR shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this LEASE, who in the judgment of SANDIA is to be denied access to the PREMISES. LESSOR shall submit to the SDR or the SCR proposed working schedules for its personnel and the personnel of each of its subcontractors. The schedules will show proposed daily working hours and proposed work weeks. Schedules that deviate from SANDIA's normal work day or work week must be approved by the responsible SDR.

In the absence of a written authorization from the SCR or DOE, use of the PREMISES by the LESSOR and its subcontractors of any tier, pursuant to access granted under this Clause, shall be limited to work required by this LEASE to be performed on such PREMISES. **THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS LEASE IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS LEASE FOR DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS.**

CL39 - CITIZENSHIP STATUS. All personnel of the LESSOR and its subcontractors who require access to the PREMISES must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States.

CL40 - TERMINATION OR REASSIGNMENT OF PERSONNEL. The LESSOR shall (a) notify immediately the SDR if any LESSOR employees assigned to work in the PREMISES are terminated for any reason or are assigned to other non-SANDIA work and will not work in the PREMISES in the future, and (b) ensure that any LESSOR employees identified under this paragraph surrender to the SDR any decals or other access documents within five days of termination or reassignment.

CL41 - ES&H SERVICES. LESSOR shall provide all ES&H services for LESSOR or LESSOR subcontractor employees performing work in the PREMISES.

CL42 - HAZARDOUS MATERIALS HANDLING. For LEASES that require the performance of work in the PREMISES, the LESSOR shall coordinate with the SDR all activities associated with the acquisition (including reporting hazardous materials used in the PREMISES, handling, storage, accidental spills, and/or disposal of hazardous materials and/or waste. The LESSOR shall notify the SDR of all hazardous and/or radioactive waste generated during performance of work. Such materials become SANDIA-owned waste and the LESSOR shall notify the SDR for proper disposal by SANDIA. LESSOR's assistance in disposal may be required by SANDIA.

CL43 - HAZARDOUS MATERIALS REMOVAL. Those hazardous materials brought in to the PREMISES by the LESSOR which are job-related consumables and have not been removed from their original packaging and which have not been purchased by SANDIA, shall remain the property of the LESSOR and shall be removed from the PREMISES after completion of the work. Hazardous materials in the original, labeled container are not hazardous waste if the material is usable and the full or partially full container is intact and properly closed. Those scrap items which are not hazardous and which have not become hazardous through co-mingling with hazardous items are owned by the LESSOR and shall also be removed.

CL44 - VEHICLE MARKINGS. All vehicles used by either the LESSOR or its subcontractors in and around the PREMISES shall be marked clearly to indicate company name of user. Vehicles which do not bear permanent markings may be temporarily marked as follows. Signs, no longer than the vehicle door is wide, with a white or lighter background, showing the LESSOR's name in one inch high, or larger, dark colored letters, may be temporarily attached to the vehicle's front door panels so that the signs appear in the approximate center of each door panel.

CL45 - ACCESS TO SANDIA INFORMATION. LESSOR or subcontractor personnel who enter the PREMISES may be exposed to SANDIA or third party information and as part of the access requirements shall cause each person assigned to work in the PREMISES to execute a proprietary information agreement that will be furnished by the SDR to LESSOR or their subcontractors before such persons will be allowed to enter the PREMISES.

CL46 - GOVERNMENT PERSONAL PROPERTY PROTECTION. All personal property, equipment and materials on the PREMISES are GOVERNMENT owned. Acts of theft, illegal possession and unlawful destruction or use of GOVERNMENT property are violations punishable

under Federal laws. Every user of GOVERNMENT property is responsible for its physical protection and for reporting to the SDR immediately the loss, theft, destruction, or damage of such property.

CL47 - CLASSIFIED INFORMATION ACCESS REQUIREMENTS.

DEAR 952.204-70 Classification

DEAR 952.204-74 Foreign Ownership, Control, or Influence or Contractor

CL48 - YEAR 2000 COMPLIANCE WARRANTY. LESSOR expressly warrants that all PREMISES systems and/or service deliverables on this LEASE will accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the deliverables being acquired, properly exchange date/time data.